



# *The Insider*

[www.senate.mi.gov/switalski](http://www.senate.mi.gov/switalski)

## **Inside State Politics with State Senator Mickey Switalski Senate District 10**

**March 17, 2006**

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov) or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a library near you. Call my office and make an appointment or just walk in. See schedule for details.

---

### **Mickey's Blog: Eliminating the SBT? Devils in the Details**

---

On Thursday, the Michigan House passed a bill that would abolish the Single Business Tax (SBT), setting up a major policy debate in the Michigan Senate next week.

The SBT was already set to expire at the end of 2009 as a result of an agreement that goes back to the days of former Governor John Engler. In the interim, we are supposed to come up with a replacement. However, House Bill 5743 would move up its expiration date even sooner, to the end of 2007.

So the proposal was already on the horizon. However, the problem is that the SBT, a tax that businesses pay, provides the state with \$1.9 billion in revenue. The House plan does not mention any replacement for this lost revenue, blowing a hole in the budget that amounts to nearly a quarter of the state's general fund.

Some legislators have said that by passing this bill, it would give the Michigan Legislature more than 20 months to come up with an alternative. What that alternative might look like remains to be seen. There has been discussion of possibly raising the sales tax or other taxes individuals pay to make up the money. Others have discussed replacing the SBT with another type of business tax structure.

Criticizing an existing tax is easy.

Reaching agreement on a replacement is much more difficult.

I don't favor the Russian Roulette Proposal A-style of lawmaking, where you create a self-imposed crisis in order to force yourself to do something fast. That's what eating disorders are to dieting.

Critics say the SBT is flawed and a revamping of the state's business tax structure is sorely needed. Under the SBT, payroll and equipment are taxed, making it a disincentive for businesses to hire workers

and to modernize and expand. Businesses must also pay the SBT regardless of whether they make a profit or not. And with Michigan's economy in a major funk, it's easy to see why the current tax structure isn't helping.

But eliminating \$1.9 billion in revenue without coming up with an alternative is reckless public policy. It also places funding for higher education, our roads, local police and fire and other important services at risk.

Would you quit your current job without having another job lined up?

I don't think so because you have bills to pay. So does the state. It has to pay for public universities and community colleges, it has to pay to build and repair roads and to incarcerate criminals and keep our communities safe. If we don't pay for those programs, then we cannot benefit from them and our quality of life is harmed in the process.

So count me out of that. I would be happy to change the SBT. I supported the Governor's proposal to change it. If someone else has a better plan, put it forward. But don't throw the baby out with the bathwater.

What do you think? Please feel free to e-mail me your thoughts and I will post some of your responses in the next issue of the *Insider E-newsletter*.

---

### **Mickey's TV Insider Show**

---

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

#### **Sterling Heights**

Every Saturday and Sunday at 12:30 p.m.  
(Comcast Channel 5/WOW Channel 10)

#### **Utica**

Every Wednesday at 9 a.m.  
(Comcast Channel 5/WOW Channel 10)

#### **Clinton Township**

Last week of every month- Sat thru Thurs  
(Comcast Channel 5/WOW Channel 10)

#### **Roseville**

Various Times  
(Comcast Channel 18)

\*Please note that Sterling Heights/Utica/Clinton Township will show the TV Insider Show on Comcast Channel 5 and Wide Open West Channel 10. Clinton Township will air the TV Insider Show at various times during the last week of every month. Roseville can see the TV Insider Show on Comcast Channel 18.

---

## Coffee Hours

---

\*Since my District Office is in Roseville, I do not have set coffee hours in Roseville. However, I encourage you to visit the Roseville office. We even have a coffee pot. Everyone is welcome to attend the coffee hours and discuss their issues and concerns. Please note that I will not have coffee hours in Sterling Heights on April 3, but I will back there in May. Stay tuned for details in the future.

<b>March 27</b> <b>7-9 p.m.</b>  Location: Clinton-Macomb Public Library (40900 Romeo Plank) Clinton Township	<b>April 24</b> <b>7-9 p.m.</b>  Location: Clinton-Macomb Public Library (35891 Gratiot, north of 15 Mile) Clinton Township
--	--

---

## Contact My Office

---

**Website:** <http://www.senate.mi.gov/switalski>

**Email:** [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov)

### Lansing Office

Senator Mickey Switalski  
Senate District 10  
410 Farnum  
PO Box 30036  
Lansing, Michigan 48909

(866)303-0110 toll free  
(517)373-7315  
Fax-(517)373-3126

### District Office

28311 Utica Road  
Roseville, MI 48066

Monday through Friday  
9:00 A.M. to 5:00 P.M.

(586)774-2430  
Fax-(586)774-0012